

Agenda Item #1



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

Minutes of the January 19, 2007 Meeting of the
Commission on Governmental Ethics and Election Practices
Held in the Commission's Meeting Room,
PUC Building, 242 State Street, Augusta, Maine

Present: Hon. Andrew Ketterer, Chair; Hon. Michael P. Friedman (by telephone); Hon. Jean Ginn Marvin; Hon. A. Mavourneen Thompson (by telephone). Staff: Executive Director Jonathan Wayne; Phyllis Gardiner, Counsel.

At 9:05 A.M., Chair Andrew Ketterer convened the meeting. The Commission considered the following items:

Agenda Item #1 – Return of Maine Clean Election Act Funds/Thomas Bossie

Mr. Wayne said that Mr. Bossie returned to the Commission staff the full amount of unauthorized matching funds that he received. Mr. Wayne said that Mr. Bossie stated that he spent the entirety of the authorized funds. Mr. Wayne said that the Commission staff was not yet certain that Mr. Bossie reported his expenditures correctly and recommended putting discussion of this item off until the next meeting.

Mr. Ketterer asked what amounts Mr. Bossie returned and what amounts he may still owe the Commission. Mr. Wayne said that Mr. Bossie repaid funds that were spent on unallowable expenditures, paid a penalty, and returned the unauthorized amount of matching funds. Mr. Wayne said that Mr. Bossie appears to still owe \$4,080 in authorized funds, though Mr. Bossie said that he spent that money on advertising.

Mr. Ketterer recommended that the Commission not wait until the next meeting to make a decision.

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Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Mr. Wayne said that the Commission staff could request invoices and subpoena Mr. Bossie's campaign bank records.

Ms. Thompson asked why Mr. Bossie has not responded to the Commission's requests. Mr. Wayne said that Mr. Bossie's response was that he already returned all his unspent Clean Election funds.

Mr. Ketterer said that Mr. Bossie refused certified mail from the Commission staff.

Mr. Friedman asked if Mr. Bossie was present at the meeting. Mr. Ketterer replied that he was not.

Mr. Friedman suggested that Mr. Bossie be referred to the Attorney General's Office.

Ms. Ginn Marvin moved, Ms. Thompson seconded, and the Commission voted unanimously (4-0) to refer the collection of Mr. Bossie's unspent Maine Clean Election Act funds to the Attorney General.

Agenda Item #2 – PAC Reporting Issue/Maine Economic Research Institute

Mr. Ketterer asked whether the Commission had dismissed the complaint against the Maine Economic Research Institute (MERI). Mr. Wayne replied that it had, but that the Commission had postponed a decision on whether MERI should be required to register as a political action committee.

Mr. Ketterer said that would be acceptable to proceed without Mr. Hanson who filed the original complaint against MERI. Mr. Ketterer said that MERI did not appear to meet the definition of a PAC in that it did not function as a funding and transfer mechanism or as a segregated fund.

Mr. Friedman and Ms. Thompson agreed with Mr. Ketterer that MERI was not a PAC.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Ms. Ginn Marvin moved, and Mr. Friedman seconded, that the Commission adopt the staff recommendation to find that the Maine Economic Research Institute was not a PAC and to consider changes to the statutory definition of a PAC.

Mr. Ketterer said that the voter guide published by MERI did appear to be intended to influence the vote.

The Commission voted unanimously (4-0) to adopt the staff recommendation to find that the Maine Economic Research Institute was not a PAC and to consider changes to the statutory definition of a PAC.

Agenda Item #3 – Proposed Changes to PAC Definition, §1056-B Reporting

Mr. Wayne said that proposed changes to the PAC definition would set a \$1,500 threshold of contributions or expenditures that would require an organization with the major purpose of influencing an election to register as a PAC. Mr. Wayne said that an organization without the major purpose of influencing an election would not have to register as a PAC unless it spent more than \$5,000 to influence an election.

John Branson, Esq., objected to Ms. Ginn Marvin's participation in the discussion of any topic affecting the Maine Heritage Policy Center (MHPC). Mr. Branson said that the proposed changes to the PAC definition would not require any reporting from MHPC. Mr. Branson said that he was appealing the Commission's decision regarding Carl Lindemann's complaint against MHPC.

In response to a suggestion by Mr. Branson, Mr. Ketterer said that the Commission members do not hold private meetings and only communicate to discuss the scheduling of meetings.

Phyllis Gardiner joined the meeting.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Mr. Ketterer asked if the Commission should hold a vote on Ms. Ginn Marvin's recusal. Ms. Gardiner said that there was nothing specified in the rules relating to recusal and that it was up to the individual Commission member.

Ms. Thompson said that recusal would be appropriate for meeting items discussing MHPC specifically, but not for general policy discussions. Mr. Friedman agreed that no recusal was necessary because the Commission was holding a policy discussion and not an adjudicatory procedure. Mr. Ketterer agreed that no recusal was necessary. Mr. Ketterer said that a motion was not necessary but he would make one anyway. Mr. Ketterer moved, and the Commission voted 0-3, to require Ms. Ginn Marvin's recusal from agenda item #3. The motion failed.

Mr. Branson said that he did not receive a copy of the December 27 memo to interested persons on changes to §1056-B reporting. Mr. Branson said that the proposed change was drastic and would eliminate the §1056-B filing requirement. Mr. Branson said that the \$5,000 PAC registration threshold would not include staff time. Mr. Branson said that he preferred that the Commission make no recommendations and wait for a judicial determination.

Ms. Thompson asked about the December 27 memo. Mr. Ketterer said that it would be discussed later in the meeting.

Carl Lindemann said that newspaper editorials portrayed him as curtailing First Amendment rights, but he had not heard any complaints from groups about the reporting requirements.

Daniel Billings, Esq., representing MHPC, said that he became aware of the PAC definition proposal the previous Monday. Mr. Billings said that the Commission staff's December 27 memo was a good-faith effort to notify interested parties. Mr. Billings said that the proposed changes did not result from pressure from MHPC. Mr. Billings said that the changes would draw clearer lines, but it would still be difficult to determine whether activities were meant to influence the election. Mr. Billings said that the Commission should not wait for guidance from the courts and that MHPC would not appeal the court's decision.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Jonathan Crasnick of Democracy Maine said that Democracy Maine originally requested that MHPC be required to file a §1056-B report, but then decided that it should be required to register as a PAC. Mr. Crasnick said that Democracy Maine was willing to register as a PAC and file the required reports. Mr. Crasnick said that public had a right to know who was influencing elections.

Christopher St. John of the Maine Center for Economic Policy said that the Commission would go too far by requiring MCEP to register as a PAC. Mr. St. John recommended changing the §1056-B requirement instead. Mr. St. John said that the definition of a PAC was already sufficiently detailed and that disclosure requirements should focus on large organizations. Mr. St. John said that the proposed changes would result in less disclosure, since PACs could transfer general support funds from another organization without reporting the original contributors.

Mr. Wayne said that Paul Lavin mailed the memo on proposed changes to all §1056-B filers but did not send a copy to Mr. Branson. Mr. Wayne said that the proposal would strengthen disclosure and was not influenced by any requests from MHPC. Mr. Wayne said that the public was generally not familiar with the §1056-B reports and they were difficult to find on the Commission's website. Mr. Wayne said that he was not aware of any other state with a reporting requirement similar to the §1056-B report. Mr. Wayne said that the Commission was not required to solicit comments from §1056-B filers but did so as a courtesy. Mr. Wayne said that the Commission staff could still withdraw its proposed changes.

Ms. Thompson asked whether the Commission would be receiving guidance from the court. Ms. Gardiner replied that she had not seen the complaint, but that the court would only address the existing statute. Ms. Gardiner said that the court would not be discussing alternatives to the existing law.

Mr. Friedman said that the court's previous case on the appeal filed by Pat LaMarche limited discussion on the merits of the law. Mr. Friedman said that the Commission should not wait for

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

a judicial decision. Mr. Friedman said that the Commission should not worry about drafting a perfect bill, since the Legislature would refine it and hold public hearings.

Mr. Ketterer said that it was not necessary to have a proposed bill from the Commission for the Legislature to make changes. Mr. Friedman said that a proposed bill would be a more public process.

Ms. Thompson said that the proposed changes to the statute did not have a consensus and should be discussed further. Mr. Ketterer said that there was a limited amount of time during which the Commission was allowed to present statutory changes to the Legislature. Ms. Thompson said that the Commission needed to discuss the changes further and see the bill proposed by Rep. Cynthia Dill.

Ms. Ginn Marvin said that it was the job of the Commission to propose changes, and the ones put forward by the Commission staff were a good first step.

Ms. Thompson asked what issues needed clarification and suggested the possibility of postponing the bill.

Mr. Friedman recommended sending the bill to the Legislature.

Mr. Ketterer said that there was not much time, and the proposed changes had already been refined by Commission staff. Mr. Ketterer recommended putting the bill forward and letting the Legislature make any further changes.

Mr. Branson said that the Commission did not have the statutory authority to propose changes without due process. Mr. Ketterer said that Mr. Branson's comments were on the record and he could appeal the decision if he wished. Mr. Wayne said that the Commission staff's procedures

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

included sending e-mails to all candidates, PACs, and party committees notifying them of the proposed changes.

Ms. Thompson suggested increasing the proposed PAC registration threshold from \$5,000 to \$10,000 and include staff time. Mr. Wayne said that keeping track of staff time would be burdensome.

Ms. Gardiner said that there may be tax issues involved with counting staff time rather than monetary expenditures. Mr. Ketterer said that the Commission should let the Legislature work around those issues.

Ms. Thompson moved that the Commission accept the staff recommendation while amending §1052-A(2) to \$10,000 rather than \$5,000 as originally proposed. The motion failed for lack of a second.

Mr. Ketterer asked if the motion would include staff time toward the \$10,000 threshold. Ms. Thompson said no.

Ms. Ginn Marvin moved that the Commission accept the staff recommendation using the second version of §1052-A(2) proposed by the staff. The motion failed for lack of a second.

Mr. Friedman moved, Ms. Ginn Marvin seconded, and the Commission voted 3-1 to accept the staff recommendation using both alternatives proposed for changes to §1052-A(2). Mr. Friedman, Mr. Ketterer, and Ms. Thompson voted for the motion and Ms. Ginn Marvin voted against it.

Mr. Friedman amended his motion to indicate that the Commission would send two separate bills to the Legislature, each including one of the proposed changes to §1052-A(2). The Commission

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

voted 3-1 to adopt the amended motion. Mr. Friedman, Ms. Ginn Marvin, and Mr. Ketterer voted for the motion and Ms. Thompson voted against it.

Agenda Item #4 – Proposed Rule on Voter Guides and Legislative Scorecards

Mr. Wayne said that under the proposed changes, organizations could still mail voter guides more than 60 days before the election without triggering filing requirements.

Ed McLaughlin of the Maine Economic Research Institute said that there should be some differentiation between educating the public and an intent to influence an election. Mr. McLaughlin said that the proposed changes should consider electronic communications in addition to printed materials. Mr. McLaughlin said that MERI met with Mr. Wayne and his predecessor William Hain, who said that MERI did not meet the definition of a PAC. Mr. McLaughlin said that MERI had followed the advice given by Commission staff.

Mr. Ketterer said that it was good of MERI to seek guidance by the Commission staff.

Tony Paine of the Alliance for Maine's Future said that educational organizations would not limit their communications to their members.

Mr. Ketterer recommended discussing this item along with agenda item #6.

Agenda Item #5 – Development of Administrative Policy/Inadequate Documentation of MCEA Expenditures

Mr. Wayne said that some candidates may have been unaware of the requirement to keep receipts and invoices. Mr. Wayne said that the Commission could consider it a violation to not keep the required documentation. It could consider the undocumented expenditures to be invalid and require candidates to pay back the funds, or it could assess a civil penalty.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Vincent Dinan, the staff auditor, said that most candidates could provide documentation when asked. Mr. Dinan said that some candidates claimed expenditures with no proof that the expenditure was made and others reimbursed themselves with campaign funds without maintaining a receipt of the transaction.

Ms. Ginn Marvin asked if candidates only needed a receipt if a reimbursement occurred. Mr. Dinan said that candidates also needed proof of payment. Mr. Dinan said that best practice was to use a campaign debit card.

Ms. Thompson asked what percentage of Clean Election candidates was audited. Mr. Dinan said that 20% of candidates for Representative were chosen for an audit and half of those audits were completed.

Mr. Ketterer asked what the staff recommended. Mr. Dinan recommended disallowing the undocumented expenditures.

Ms. Thompson asked how many candidates were found to have undocumented expenditures. Mr. Dinan replied that the staff had found five so far. Ms. Thompson asked about the severity of the undocumented expenditures. Mr. Dinan said that some were large expenditures but most were small.

Daniel Billings, Esq., counsel for the Woodcock for Governor campaign, said that the campaign had to request invoices after the expenditures had been made. Mr. Billings said that the campaign did have cancelled checks as proof of purchase, but it was difficult to get invoices from some businesses. Mr. Billings said that TV stations did not print the invoices until after the ads had run. Mr. Billings said that disallowing undocumented expenditures was the best option. Mr. Billings recommended that the Commission separately consider the five cases of undocumented expenditures. Mr. Billings said that the Commission should look closely at large cash expenditures.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Ms. Thompson said that the five cases were not a matter of timeliness in getting the required documentation. Mr. Billings said that some businesses may never provide invoices, making disallowance of those expenditures inappropriate.

Ms. Thompson asked Mr. Dinan what the status was of the five cases of undocumented expenditures. Mr. Dinan said that he was working with them to get the requested documentation.

Mr. Ketterer said that some candidates may not have had prior business experience. Mr. Ketterer said that unverified expenditures should still be paid back to the Commission.

Mr. Dinan said that some of the cases of undocumented expenditures would be ready for Commission review at the February meeting. Mr. Dinan said that he would present several options available to the Commission.

Ms. Thompson said that it seemed logical that large expenditures would require documentation. Ms. Thompson said that monetary penalties may be warranted for some of the violations.

Mr. Friedman agreed with the other Commission members, saying that candidates had a responsibility to know the requirements and keep records.

Agenda Item #6 – Presentation of Proposed Statutory and Rule Changes

Mr. Wayne said that there was a February 7 deadline to submit statutory changes. Mr. Wayne said that a hearing on proposed rule changes would be scheduled for February.

Mr. Lavin said that the staff proposal would allow party committees to provide assistance in addition to advice to candidates, change the entity from “political party” to “state party committee,” and specify that state party committees were limited to providing 20 hours of assistance per candidate.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Mr. Lavin said that a proposed change would allow radio and television ads to omit the address on the disclosure statement if the candidate financed the expenditure.

Ms. Ginn Marvin asked if any disclosure would be required for an announcement about a candidate receiving an award if there was no express advocacy and it was not a political communication. Mr. Lavin said yes, the proposal would eliminate the requirement to include the address but would not entirely eliminate the disclosure requirement during the presumption period.

Mr. Lavin outlined the following proposed changes to the Commission:

- move the dates when reports must be filed so that matching funds would be based on up-to-date campaign finance information;
- eliminate the requirement for privately financed candidates to file an affidavit stating that they did not exceed 101% of their publicly financed opponent's Clean Election distribution in receipts or expenditures;
- simplify the 24-hour reports;
- clarify record-keeping requirements;
- change the period during which an independent expenditure is presumed to be intended to influence an election to 21 days before a primary election and 60 days before a general election;
- restrict the collection of seed money contributions to Maine residents;
- end the practice of reducing a Clean Election candidate's initial distribution by the amount of unspent seed money remaining;
- require money orders used in collecting \$5 qualifying contributions to be signed by the contributor;
- require gubernatorial candidates to raise a minimum of \$15,000 in seed money as one of the qualifications to receive public funding;

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

- allow the Commission to revoke a candidate's certification to receive public funding under certain circumstances; and
- allow the Commission staff to audit lobbyists.

Ms. Ginn Marvin asked if candidates could accept cash as a qualifying contribution. Mr. Lavin said they could accept cash by exchanging it for a money order. Mr. Wayne said that a candidate could accept cash if the contributor signs a money order. Mr. Lavin said that the candidate could not submit \$5 in cash to the Commission as a qualifying contribution. Ms. Ginn Marvin said that she recognized the need for a paper trail.

Ms. Thompson asked if the \$15,000 seed money minimum came with any geographic requirement. Mr. Lavin replied that it did not.

Alison Smith of Maine Citizens for Clean Elections said that the Commission should raise the required number of qualifying contributions rather than adding an additional seed money requirement if it wishes a stronger test for a candidate's validity.

Ms. Ginn Marvin moved, Mr. Friedman seconded, and the Commission voted unanimously (4-0) to accept the proposed statute changes and forward the recommendations to the Legislature.

Mr. Lavin outlined the following proposed rule changes for the Commission:

- require the Commission to meet once a month;
- eliminate the requirement that oral complaints be placed on the agenda for the next Commission meeting;
- allow Commission staff to take testimony for an investigation without the testimony being given at a Commission meeting;
- clarify that Commission members may speak to the press about an issue before the Commission after the 30-day period for filing an appeal has ended;

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

- require the circulator of a qualifying contributions receipt and acknowledgement form to sign the form and include his or her address. (Ms. Gardiner said that the printed name should be included as well);
- require verification of voter registrations to be completed by the certification deadline (Mr. Lavin said that in the future, Commission staff may be able to verify voter registrations by computer);
- end the practice of including unspent primary funds in the calculation of matching funds for the general election;
- provide for the Commission to assess a penalty and require the repayment of funds for undocumented expenditures of Clean Election funds after a hearing has been held;
- allow gubernatorial candidates to withhold a portion of their Clean Election funds at the end of the campaign for the costs associated with the audit; and
- require candidates making mileage reimbursements to use the flat rate and keep a mileage log. Mr. Lavin said that many candidates from the 2006 election were reimbursing themselves or their staff for travel and not keeping mileage logs.

Ms. Ginn Marvin said that the Commission should be able to reschedule meetings due to weather. Ms. Ginn Marvin said that the Commission should not be required to meet monthly if there was a lack of business for it to consider. Ms. Gardiner said that there was not a need for language in the rules specifying these exceptions. Mr. Wayne said that the rules did not reflect the statute's requirement that the Commission meet once a month.

Ms. Ginn Marvin asked if candidates were required to reimburse themselves for travel. Mr. Lavin said they were not.

Ms. Thompson left the meeting.

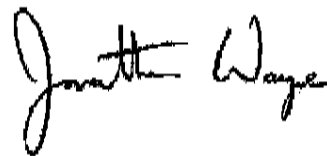
Ms. Gardiner said that some of the proposed rule changes assumed that the proposed statute changes would be adopted by the Legislature. Ms. Gardiner said that the proposed rule changes should be based on the existing statutes.

Commission on Governmental Ethics & Election Practices
January 19, 2007 Minutes

Ms. Ginn Marvin moved, Mr. Friedman seconded, and the Commission voted unanimously (3-0) to accept the proposed rules for public comment.

Mr. Wayne said that the hearing on the proposed rule changes would be held on February 14 at 9:00 a.m., followed by the Commission's regular meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan Wayne". The signature is written in a cursive, flowing style.

Jonathan Wayne
Executive Director



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Commission on Governmental Ethics and Election Practices
Held in the Commission's Meeting Room,
PUC Building, 242 State Street, Augusta, Maine

Present: Hon. Andrew Ketterer, Chair; Hon. Jean Ginn Marvin; Hon. Mavourneen Thompson;
Hon. Vinton Cassidy, Hon. Michael Friedman. Staff: Executive Director Jonathan Wayne;
Phyllis Gardiner, Counsel.

At 9:10 A.M., Chair Andrew Ketterer convened the meeting. Mr. Ketterer reminded the group that the items on the agenda are from the February 14 meeting that was rescheduled to today due to bad weather. Also new matters will be discussed.

Agenda Item #1 – Proposed Rule Changes rescheduled for March 9 meeting.

Agenda Item #2 – Ratification of the Minutes of the October 13, October 20, and November 2 Meetings

Mr. Wayne noted that there is a name correction on the October 20 meeting and November 2 meeting had a company (Ourso Beychok) referred to as an individual.

Ms. Ginn Marvin moved and Ms. Thompson seconded to accept the minutes as amended. The motion passed (5-0).

Agenda Item #3 – Assessment of Civil Penalty for Late Filing/Hon. Joshua A. Tardy

Mr. Wayne explained that Rep. Tardy ran as a traditional candidate in the 2006 election against a Clean Election Act candidate. This required him to file three additional reports, one of which was to be filed when his cash receipts or expenditures went over a certain amount. Since Representative Tardy did not realize that he had gone over that threshold, he did not file this

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

report. He did, however, fix the error as soon as he realized it. His opponent was not disadvantaged in any way. Rep. Tardy sent a letter saying that he did not object to the penalty.

Mr. Wayne feels Rep. Tardy was acting in good faith and qualifies for an exception in his penalty. The staff recommends a \$724.71 penalty.

Rep. Tardy was present at the meeting but said that he had nothing further to add to what Mr. Wayne said or to what he wrote in his letter.

Ms. Ginn Marvin moved, Mr. Cassidy seconded to adopt the staff recommendation and impose a penalty in the amount of \$724.71. The motion passed (5-0).

Agenda Item #4 –Request for Guidance/Hon. Thomas B. Saviello

Mr. Wayne explained that Rep. Saviello is requesting advice on a conflict of issue matter. Mr. Wayne introduced the various issues confronting Rep. Saviello in the current session of the Legislature. These issues are more thoroughly discussed in the memorandum on this matter that Mr. Wayne wrote for the Commission. There are at least two bills that will be introduced this session that deal with the regulation of emissions of power plants. These bills are a part of a regional effort in the Northeast states to combat the effects of power plant emissions. Rep. Saviello seeks guidance from the Commission on whether he has a conflict of interest in regards to these bills. He is employed by Verso Paper as its environmental manager at its Jay plant. In at least one of the bills, Verso may be required to purchase emissions allowances, which could cost millions of dollars.

Ms. Thompson requested some background information on a prior conflict of interest issue with Representative Saviello during the last legislative session. Mr. Wayne presented a synopsis of the matter considered by the Commission last year.

Mr. Wayne referred the Commission members to the section of the legislative ethics law that he thought was most relevant in this situation: "Where a legislator derives a direct substantial personal financial benefit from close association with a person." So in this case, Rep. Saviello

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

does derive a financial benefit (his salary) from close economic association with Verso Paper, Mr. Saviello's employer. Mr. Wayne urged the Commission to consider there could be a substantial financial effect to Verso Paper.

Ms. Ginn Marvin stated she interpreted the law as meaning if the person derived a benefit different from anyone else, like a bonus to that person.

Mr. Ketterer pointed out that the smaller number of people or entities affected by legislation gets, the more likely it gets that someone derives a unique benefit.

Rep. Saviello, District #90, addressed the Commission. He expressed his concern over being able to participate in discussions regarding these bills, being able to vote, and being able to represent his constituents in a fair manner. He requested that the Commission consider his professional and academic background and how that can add to the level of discussion and understanding in the debate on these bills. He asked the Commission to consider three other factors in making their decision. First, he is only one of 186 Legislators and is not single-handedly so powerful that he could get his colleagues to vote his way. Second, he is not on the Natural Resources Committee, nor Utilities and Energy. He is on the Inland Fisheries and Wildlife Committee. Third, he does not have any direct financial interest in Verso Paper; he holds no stocks in Verso and Verso is not a publicly traded company. He also asked the Commission to consider the fact that he represents constituents who depend on the mill for their livelihood and the company's contribution to the community. Rep. Saviello stated that he received over 75% of the vote and that if his constituents were dissatisfied with him or that he had a conflict of interest, they would have voted him out.

Mr. Friedman asked if Rep. Saviello would get any special benefit for getting legislation passed, or receive any better job offers as a result of being in the Legislature. Rep. Saviello said that he did not.

Ms. Thompson asked whether Rep. Saviello could only participate in discussions and not actually vote. Rep. Saviello replied that he believes he could not do one without the other.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Mr. Dylan Voorhees of the Natural Resources Council of Maine addressed the Commission. Mr. Voorhees stated that he views paragraphs A, E, and F of §1014(1) as describing different types of conflict of interest. Mr. Voorhees thought that paragraph A seemed to relevant in this case. He said that under that paragraph he did not think that any private benefit to Rep. Saviello was a factor. However, NRCM feels that there is a direct economic connection as Rep. Saviello is an employee of Verso and that any person working for the six mills should not participate in any legislation regarding RGGI given that the financial impact on the companies is significant.

Mr. Cassidy asked if any NRCM members were Legislators. Mr. Voohees replied that he was not sure but that it was likely that there were. Mr. Cassidy asked if it would be appropriate for Legislators who were NRCM members to vote on these bills. Mr. Voorhees said that NRCM did not have a financial interest in the bills. He drew a distinction between NRCM employees and members.

Mr. Friedman pointed to the part of §1014 that states "or derives a direct substantial personal financial benefit." Mr. Friedman asked whether Mr. Voorhees interpreted that as Rep. Saviello's salary. Mr. Friedman questioned whether the type of work Rep. Saviello performs would make any difference in the type of conflict of interest. Mr. Voorhees said that he was not sure and would have to look further into the definition. But he did think that it was possible that a janitor who was a Legislator to have a similar close economic association as Rep. Saviello.

Ms. Ginn Marvin pointed out that he is only one out of 151 House members and wonder how much of an effect Rep. Saviello could have on the vote. He does have the expertise and authority in this area and, if she were a Legislator, she would listen to what he had to offer. She does not see any harm in allowing him to vote since he has the knowledge that would benefit other Legislators' decisions.

Mr. Voorhees stated that Mr. Saviello's influence, whether large or small is not the issue, the conflict of interest still exists. His employer has a direct financial interest with this legislation.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Ms. Ginn Marvin was concerned that Legislators would lose the benefit from hearing the issues debated and discussed by their colleagues who have specialized knowledge about issues that are the subject of legislation. Mr. Voorhees said that this was a particularly difficult decision to make and there were certain trade offs that may have to be made to ensure the public's confidence in the integrity of the Legislature.

Mr. Cassidy noted that we need to keep in mind how the bills will affect jobs in the state.

Ms. Thompson asked Mr. Voorhees if a Legislator can give factual information without being persuasive. Mr. Voorhees said that it would be a very slippery slope.

Dan Riley, Esq., of Bernstein Shur, indicated he is here on behalf of no one, just an interested party. He was involved with the matter that was before the Commission last year, which involved Rep. Saviello. Mr. Riley found it troubling what Rep. Saviello went through last year. This issue is critical to the nature of the citizen legislature. The balance of opinion that needs to be brought to bear on the consideration of legislative matters is lost if members of the public who work for manufacturing organizations (mills) do not feel comfortable serving in the Legislature and representing their constituents because of this sort of issue. Mr. Saviello's background and expertise is very important to other Legislators that do not have a great deal of knowledge in this area. NRCM has board members serving on the Natural Resources Committee – no one claims conflict of interest there.

In his experience working at the State House, the clause of section 1014(1)(A), which states, "direct substantial personal financial interest distinct from that of the general public" and the clause in paragraph (F) of §1014(1), "benefit has to be unique from that of the general public and persons engaged in similar professions, trades, employment" have been read together by the Attorney General and the presiding officers and their counsels. This interpretation creates a bright line. It could be more artfully drawn perhaps, but it is bright. It states that, as a Legislator, you or family have to directly and personally benefit financially which is different from anyone else in the class. That unique benefit is the quid pro quo of a conflict of interest.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Mr. Riley strongly urged, if that distinction is not made, you put at risk our citizen legislature and severely diminish the group who can act as Legislators.

Ms. Thompson asked about the appearance of misconduct by Legislators. Mr. Riley responded that the only appearance of misconduct would be if the Legislator directly benefited financially.

Kim Davis, former Legislator from Augusta, addressed the Commission. Because Maine has a citizen legislature, many of its members have many issues about which they feel very passionate. She stated that she has spoken out very passionately about certain issues in front of the Health and Human Services Committee and supposes that her purpose could be misconstrued because her husband works in that area. She feels Rep. Saviello has always been very respectable and is in the Legislature for all the right reasons.

Rep. Saviello made one final comment that the interests of his constituents were also at stake in this legislation because of the potential for increasing the cost of electricity.

There being no further public comment, Mr. Ketterer asked Mr. Wayne if he had any concluding comments.

Mr. Wayne concluded that most of the comments today pertained to any harm that could come from Rep. Saviello voting on these issues. Rep. Saviello should be commended for coming forward on this matter. Mr. Wayne also confirmed that this does affect a small group of organizations. There is an argument since the financial affect to Verso could be \$5 to \$15 million dollars so there could be conflict of interest for Rep. Saviello to vote on either of these bills.

Even though there are several cases that deal with whether a Legislator derives a personal benefit from proposed legislation, that is not the whole universe of what constitutes a conflict of interest. There are other ways to interpret the statute. Mr. Wayne pointed out that if there were a payment from the State to Verso that none of the other power plants received, that would be a conflict of

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

interest if Rep. Saviello voted on that particular bill. We have not seen that exact legislation, but if it were to be presented that way, Mr. Wayne feels that would be a direct conflict of interest.

Mr. Cassidy reminded the group that these 5 – 7 plants employ many people and jobs are affected. Every one of the Legislators at some point is going to deal with bills that affect their area. Mr. Cassidy strongly believes if it does not benefit the Legislator's family then that is where the line should be drawn.

There being no further comments, a motion by Ms. Thompson that the Commission recommend Rep. Saviello participate in discussions about all legislation facing his committee, providing factual information pertaining to this particular legislation, but that he recuse himself from voting on the legislation that is relevant to the topic before us when it is before the House.

The motion failed to receive a second.

Mr. Friedman noted that any decision would be an individual one involving a particular bill. It is difficult to recommend or advise on whether to refrain from doing something until there is an actual bill to reference. We could give advice on whether he can participate in the process, and if the bill surfaces, then Rep. Saviello would make the decision.

Mr. Cassidy stated that he does not believe in restricting any Legislator to what he or she can and cannot talk about or be involved with. We need to trust in our representatives to do the right thing and let Rep. Saviello go do his job at the State House.

Mr. Friedman stated in the legislative area conflict of interest issues should be kept to a minimum. The make up of the Legislature is working people who give up much of their time, and where they are employed should not be a disqualification. Mr. Friedman believes it would be a disservice to the public to start excluding Legislators from voting on issues that deal with their area of expertise.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Ms. Ginn Marvin commented that she agrees with Mr. Cassidy, Rep. Saviello should just do his job at the State House.

Ms. Thompson referred to §1014's conflict of interest and appearance of misconduct by Legislators. She also spoke of the interpretation by 'the man on the street' and how it would look. She believes Rep. Saviello can provide factual information, but should recuse himself from any final votes on these bills.

Mr. Ketterer commended Rep. Saviello for coming in to get some advice in advance. He agrees with Ms. Thompson regarding the need to avoid appearance of impropriety, but acknowledged that it was difficult to advise without a particular bill. Maine does not want a full time Legislature, we want different people who bring different skills and knowledge to the Legislature. The Commission does not want to get into the practice that would exclude votes by certain Legislators. Mr. Ketterer agreed with Mr. Friedman, unless there is a particular bill to be discussed, it is difficult to give direct advice.

Mr. Friedman motioned that the Commission issue an advisory opinion which indicates it would not be a conflict of interest for Rep. Saviello to participate in the legislative process with regard to the RGGI initiative but the Commission would strongly urge Rep. Saviello to consider whether he should recuse himself from voting on any particular bill regarding RGGI which may affect Verso, so any conflict is avoided.

Ms. Thompson seconded this motion.

Mr. Cassidy reiterated that he does not feel the Legislators should be restricted in any way from performing their duties on any initiatives. He opposes this motion.

Ms. Ginn Marvin asked whether an employer would need to be named in the bill.

Mr. Friedman feels it would be an individual decision, naming employer is not a factor. Rep. Saviello will need to make the ultimate decision whether it is a conflict to vote.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Ms. Ginn Marvin noted that in her six years in the Legislature, she does not recall there being a conflict of interest being brought up. The nature of the citizen's legislature means there is a connection with all Legislators at some point to the issues. The Commission needs to be cautious about restricting.

Mr. Cassidy asked why we need a motion.

Mr. Friedman suggested that since Rep. Saviello asked for advice, he deserves to know where the Commission stands.

Ms. Gardiner advised that procedurally, the Commission has been asked to give an advisory opinion, so really need to provide something.

Rep. Saviello expressed concern over whether he would be allowed to vote on workers compensation and tax issues since they all affect Verso Paper.

Mr. Friedman stated that was not his intent. He does not want to restrict Rep. Saviello. Mr. Friedman reiterated that his motion pertained only to the REGGI initiative bill and Ms. Thompson concurred.

Mr. Ketterer asked for a vote on Mr. Friedman's motion. Vote was 3 in favor, 2 opposed (Ms. Ginn Marvin and Mr. Cassidy opposed) to adopt the pending motion.

Mr. Wayne explained that Rep. Saviello has two other bills that he foresees as having the same issue. One is for water quality that would affect Androscoggin River and the other is pertaining to company's duty to report when they spill oil. Mr. Wayne asked the Commission if he should develop something in writing at the staff level that includes what was discussed here today.

Mr. Ketterer felt that would be appropriate.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Agenda Item #5 - Complaints/Carol Grose and Susan Wasserott Campaigns postponed until May 14, Meeting

Agenda Item # 6 – Assessment of Civil Penalty for Late Filing/Hon. Kimberly Davis

Mr. Wayne explained briefly that Kimberly Davis ran for re-election in 2006, privately financed with a publicly funded opponent and should have filed an accelerated report on October 16, 2006. It was filed one day late, and she went over by \$67. Her opponent, Kim Silsby, who won the election, was not disadvantaged in any way. A penalty of \$67 is being recommended since Ms. Davis did not act in bad faith.

Kimberly Davis addressed the Commission. She thanked Sandy Thompson for all her help through her campaign.

Motion by Ms. Ginn Marvin to adopt the staff recommendation of \$67 penalty for late filing; seconded by Mr. Cassidy. The motion passed (5-0).

A fifteen minute recess was called.

Agenda Item #7 – So. Portland Democratic Committee Reconsideration postponed until 3/9/07

Agenda Item #8 -Request for Waiver of Late Filing Penalty/Opportunity Maine PAC

Jeremy Collette, Treasurer for Opportunity Maine addressed the Commission via phone.

Mr. Wayne briefly described the circumstances around the late filing of the PAC report. It should have been filed October 10, 2006, by 5:00 p.m. The report was filed seven minutes late. Mr. Wayne informed the group that the staff never grants waivers to penalties for late-filed reports because the 5:00 p.m. deadline is firm. The PAC did have a problem with his Macintosh computer and there is currently an issue with Apple computers being able to access the e-filing system. Because he was not able to use his computer, Mr. Collette moved to another computer but the delay caused him to be late. The staff feels he tried in good faith and believes the \$106 penalty should be waived.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Mr. Collette had no further comments.

Ms. Ginn Marvin recused herself from this matter since her nephew is active in Opportunity Maine.

Mr. Friedman moved to accept the Commission staff recommendation under the circumstances, the late filing penalty be waived; seconded by Ms. Thompson. The motion passed with Ms. Ginn Marvin abstaining.

Agenda Item #9 (Expenditure Reports) and #10 (Nancy Bessey penalty) moved to March 9.

Agenda Item #11 – Request for Waiver of Late Filing Penalty/Todd Brackett

Mr. Wayne explained that Mr. Brackett was running for county sheriff in Lincoln County in the general election. The request for waiver is from the Treasurer, Penelope Card. The report was due November 1, it was two days late, which would require a \$74.60 by statute. Ms. Card's reason for requesting the waiver was due to an accident on October 25 and a power outage shortly thereafter. The Commission staff feels a waiver is appropriate under the circumstances.

Ms. Ginn Marvin moved and Mr. Friedman seconded to adopt the staff recommendation of finding in violation but no penalty. The motion passed (5-0).

Agenda Item #12 – Request for Waiver of Late Filing Penalty/Christopher Wainwright

Mr. Wayne explained that Mr. Wainwright was a candidate for sheriff in Oxford County in the election. The request is brought by his Treasurer, Lynn Cameron. The report was due on December 19. Ms. Cameron's husband had a stroke two days before the report was due. She called one day late to notify the Commission of what was happening and she paid the penalty of \$20.18, recognizing that there may or may not be a waiver. The staff feels this is a valid reason for being late and recommends a waiver and refund of the penalty she paid.

Ms. Thompson moved and Mr. Friedman seconded to adopt the staff recommendation and refund Ms. Cameron her \$20.18 payment. The motion passed (5-0).

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Agenda Item #13 – Request for Waiver of Late Filing Penalty/Gerald York

Mr. Wayne recommended a staff recommendation of a waiver for this penalty. Mr. York was running for county commissioner in Somerset County, filed one day late due to the fact his daughter-in-law was hospitalized for emergency surgery the day the report was due. Mr. York filed one day late.

Ms. Thompson moved and Mr. Friedman seconded to adopt the staff recommendation. The motion passed (5-0).

Agenda Items #14, 15 and 16 are rescheduled for March 9 Meeting

#14 Request for Waiver of Late Filing Penalty/Bernard Ayotte

#15 Referral to Attorney General for Failure to Pay Civil Penalty/David Hughes

#16 Referral to Attorney General for Failure to Pay Civil Penalty/Arthur Clement

Referrals to Attorney General for Collection of Unspent MCEA Funds:

Agenda Item #17 David Hughes was resolved.

Agenda Item #18 – Arthur Clement

Mr. Wayne explained that Mr. Clement declined to be present for this meeting. Mr. Clement is a former Legislator who ran as a Clean Election candidate for House district 29 in the 2006 general election. Mr. Clement originally was unresponsive to staff requests to return unspent MCEA funds. When he finally did come forward, he said that he received a check for approximately \$4,000 that he believed was a tax rebate, and he instructed his daughter to deposit it in his personal account since he was in Florida. He spent the money on personal expenses, including his mortgage. He knows he owes the State \$5,988 of unspent MCEA funds. Mr. Clement has proposed to repay this amount within a year, paying \$50 a month. Mr. Wayne expressed hesitation to work out an amicable plan, since Mr. Clement chose not to appear at this meeting to explain his case. Staff recommendation is to refer this case to the Attorney General's Office for civil action.

Ms. Thompson asked if there is anything on the check that indicates MCEA funds.

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Sandy Thompson, candidate registrar, explained that Mr. Clement learned later what the money was for and still did not attempt to explain where the money had gone. He only indicated he had hoped to have the money back by the December 19th filing.

Mr. Cassidy noted that there is usually a voucher with any State check that explains what the funds are for and he supports the staff recommendation.

Ms. Gardiner asked what communication he received from the Commission that told him the check was a Clean Election check for his campaign.

Mr. Wayne explained that there is a form letter regarding initial MCEA payment and also one for the general election matching fund money.

Ms. Ginn Marvin asked what the check for \$6,949.33 represented.

Mr. Wayne clarified that Mr. Clement received matching funds that he was not authorized to spend and he refunded that amount (\$6,949.33). The money he was authorized to spend (\$5,988) he spent on personal expenses.

Ms. Gardiner noted that he wrote the check for return of unauthorized matching funds (\$6,949.33) out of his personal account and not his campaign account.

Mr. Lavin did clarify that the check does say "general election initial distribution" or "general election matching funds."

Ms. Ginn Marvin suggested in the future redacting social security numbers on documents we have in the candidates' files.

Ms. Gardiner pointed out that the facts suggest there may be commingling of funds in addition to the unauthorized funds still outstanding. She said additionally, the statute authorizes the

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

Commission to impose a penalty when a candidate fails to comply with the Clean Election Act rules, which may be the case if commingling of funds has in fact occurred. Additional fact-finding would determine this. Discussion followed on how to refer the case to the Attorney General's office, with the commingling of funds or just retrieval of the unauthorized funds.

Mr. Wayne pointed out that the other possible violations include commingling and spending the MCEA funds on personal expenses. If the Commission chooses to also take action on these issues, Mr. Wayne suggested putting off for one month and giving Mr. Clement a chance to respond again. The Commission could assess penalties at its next meeting and, if necessary, make a referral to the Attorney General.

Ms. Thompson and Mr. Cassidy supported this option, which would support penalties for mishandling and commingle of funds in addition to retrieval of the MCEA funds.

Ms. Thompson made a motion to refer this issue back to the staff to determine whether commingling and misuse of funds have occurred in addition to retrieval of unauthorized funds.

Seconded by Mr. Cassidy. The motion passed 4-0 (Mr. Ketterer abstaining).

The Commission further authorized Mr. Wayne to subpoena Mr. Clement's bank records by motion of Ms. Ginn Marvin, seconded by Mr. Friedman for the purpose of determining whether funds were misused. The motion passed 4-0 (Mr. Ketterer abstaining). Mr. Ketterer requested Ms. Ginn Marvin sign the subpoena due to his abstention.

Agenda Item #19 – Paul Nixon was resolved.

Agenda Item #20 – Debra Reagan

Mr. Wayne noted that Ms. Reagan has filed her final campaign finance report that shows a balance of unspent funds of \$4,518.00. Ms. Reagan is aware that she still owes this money. She has told the staff that she has not spent the money, but has not been able to be contacted since

Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

has told the staff that she has not spent the money, but has not been able to be contacted since mid-December 2006. Since she has not responded to several mailings and attempted phone calls, Mr. Wayne feels the only alternative is to refer the issue to the Attorney General.

Mr. Friedman made a motion to follow staff recommendation to refer this issue to the Attorney General's office for collection of unspent Clean Election funds totaling \$4,518; seconded by Ms. Thompson.

There being no discussion, the motion passed with a vote of 5-0.

Agenda Item #21 – Presentation of Audit Reports

Mr. Dinan, staff auditor, reported on the results of five audits. Four had no exceptions.

Candidate Brian Rines, ran for senate in District #21, misreported on his 42-Day Post-Primary Report. The error appears to be an inadvertent error, after Commission staff notified Mr. Rines of the error, the report was amended. Mr. Dinan recommends finding in violation with no penalty.

Mr. Cassidy moved to accept the staff recommendation; the motion was seconded by Mr. Friedman. The motion passed by a vote of 5-0.

Agenda Item #22 – Subpoena of Bank Records of Thomas Bossie

Mr. Wayne explained three subpoenas that will be required; one for bank records, one for the Bridgton News, and one to Mr. Bossie. There have been a number of red flags beginning with routine reviews of his campaign finance reports through getting his Clean Election funds back from him after the election. The staff had a great deal of difficulty getting Mr. Bossie to return the balance of his unspent Clean Election funds. It was only after applying a lot of pressure, including a referral to the Attorney General, did Mr. Bossie return any funds and amend his final campaign finance report. The Maine Republican Party has also filed a complaint against Mr. Bossie alleging the misuse of public funds to pay for advertising for Mr. Bossie's business. Mr. Wayne indicated that looking at his bank records and other records to verify whether he actually

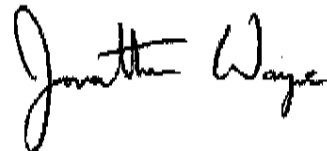
Commission on Governmental Ethics & Election Practices
February 27, 2007 Minutes

spent the money as claimed in his campaign finance reports, whether he misused public funds for personal purposes, and to be sure he has returned all funds.

Ms. Ginn Marvin moved to adopt the staff recommendation to issue subpoenas to the Bridgton News, Evergreen Credit Union, and Mr. Bossie to obtain information necessary to balance the campaign account; the motion was seconded by Mr. Cassidy. The motion passed (5-0).

There being no further business, Ms. Ginn Marvin motioned to adjourn the meeting; Mr. Cassidy seconded.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jonathan Wayne". The signature is written in a cursive, flowing style.

Jonathan Wayne
Executive Director



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

Minutes of the April 6, 2007 Meeting of the
Commission on Governmental Ethics and Election Practices
Held in the Commission's Meeting Room,
PUC Building, 242 State Street, Augusta, Maine

Present: Hon. Andrew Ketterer, Chair; Hon. Jean Ginn Marvin; Hon. Vinton Cassidy; Michael Friedman; Jonathan Wayne, Executive Director; Phyllis Gardiner, Counsel. Hon. Mavourneen Thompson by telephone conference.

At 9:13 A.M., Chair Ketterer convened the meeting. Mr. Ketterer reminded the group that the items on the agenda are a portion of the April 5 meeting agenda that was rescheduled to today due to bad weather.

Agenda Item #1 – Ratification of November 20 and December 12 Meetings

Ms. Ginn Marvin moved, Ms. Thompson seconded, and the Commission voted unanimously (4-0) to ratify the minutes of the November 20, and the December 12, 2006 meetings.

Mr. Cassidy joined the meeting.

Agenda Item #2 – Karl W. Turner Request for Recommendation

Mr. Wayne informed the group that this request came about when he was before the Appropriations & Financial Affairs Committee last month when the question came up as to whether the MCEA may have a short fall in funds during the next election (2010) for governor which could possibly require the Commission to restrict candidates for governor. At that meeting, Senator John Martin stated that the Legislature could, through an amendment to the budget bill, end funding for gubernatorial candidates.

Senator Turner asked for a recommendation from the Commission as to whether there should be a repealing of the 1996 MCEA law which includes gubernatorial candidates. Mr. Wayne stated a few different options that would be possible. 1) Support funding for gubernatorial candidates as was past in the 1996 law; 2) Commission only administers the program that was passed by the citizens, changes

Commission on Governmental Ethics & Election Practices
April 6, 2007 Minutes

should come from the Legislature; 3) Publicly funded candidates should not be part of the MCEA program any longer (that is not was Mr. Wayne would recommend since the law was passed by the citizens.) Mr. Wayne feels any repeal should be a public process. There are currently six bills before the Legislature to make it more difficult to qualify for MCEA funds for candidate for governor.

Alison Smith, co-chair, ME Citizens for Clean Elections, addressed the board. Ms. Smith stressed that the citizens created MCEA, voters passed and the law states the Commission is in charge of administering the MCEA. Overall this is a very successful program, the system works well. Over the years, the system has been 'tweaked' to keep it working well. Ms. Smith spoke to the issue of the Legislature borrowing money against the MCEA fund and have not returned all the money back to the Fund. She informed the group that the original process established a funding mechanism to build up the Fund over a four year cycle in a dedicated, non lapsing fund in order to provide for future use during an election year. Ms. Smith believes that borrowing against the Funds has created the current funding shortfall.

Ms. Smith also strongly urged the Commission not to tamper with the matching funds process, since it is a successful mechanism for the MCEA. She believes this is a cash flow issue and not a funding issue.

Ms. Smith also noted that Senator Martin's suggestion that the Appropriations Committee do away with the gubernatorial financing would be undemocratic since this was a citizen initiative. It would undermine the law that the citizens voted on; they should be the ones to decide on a repeal by way of public vote. In closing, she stated that the MCEA has provided many people the opportunity to run for public office that would not have been able to do so if it were not for this program.

Mr. Ketterer noted that there were two additional materials pertaining to this matter. One, a letter from the League of Women Voters of Maine, and a second letter from Jon Bartholomew, Common Cause Maine.

After a lengthy discussion, the Commission felt that its role was to only administer the MCEA, not make changes to it since it was a citizen's initiative. If the Legislature wants to make changes to it, they would be the body to do so.

Commission on Governmental Ethics & Election Practices
April 6, 2007 Minutes

Mr. Friedman stated that he believes the Commission should be more focused on getting the money back into the MCEA where it belongs instead of changing the rules for gubernatorial funding. The program has been successful overall.

Mr. Ketterer believes major policy issue changes are not the responsibility of the Commission. He also confirmed that the economic shortfalls due to previous legislative actions play a major part in the current funding problems.

After further discussion, the Commission agreed that the best action to take would be a letter to the Appropriations & Financial Affairs Committee in support of funding the gubernatorial candidates as the law is currently written.

Agenda Item #3 – Proposed Changes to Commission Bill

Mr. Wayne explained that since the bills submitted to the Legislature have not been printed, the staff has made a few amendments. Regarding the gubernatorial election, in addition to having candidates in order to qualify for governor collect \$15,000 they also would be required to file documents in support of the qualifying forms. The commission also would audit all MCEA candidates running in the gubernatorial races. Mr. Wayne handed out a chart regarding the timing of matching funds for gubernatorial candidates. The staff proposes to provide a larger initial payment in June in order to give them access to money earlier in their campaigns.

Mr. Cassidy motioned to accept the staff recommendation and include these amendments to the proposed bills submitted to the Legislature, Ms. Ginn Marvin seconded. The Commission voted unanimously (5-0) to adopt the staff recommendation.

Agenda Item #4 – Adoption of Changes to Commission Rules

Paul Lavin, Assistant Director, outlined the comments received and changes the staff has recommended. These changes were not made because of comments received. In Chapter 1, the following changes are recommended:

- Eliminating the 15 day period to correct errors on reports – eliminate that rule and let staff determine on case by case basis.

Commission on Governmental Ethics & Election Practices
April 6, 2007 Minutes

- Clarification of existing rule – how filers (candidates and PACs) should report expenditures made by consultants or other agents. Need more clarification on reports, should be itemized, as it states in the rule.
- Delete a proposed rule regarding voter guides and legislative score cards as an expenditure. This was as a result of the MERI Voter Guide questionnaire distributed back in the fall. There are currently several bills proposed that will change this rule also. If any of the bills pass, we can do another rulemaking to make the changes.

Chapter 3 changes as follows:

- Receipt and Acknowledgment form changes. In order to verify validity, proposes include having circulators sign the form, attest to validity of contributions and the staff recommends requiring a phone number be a voluntary option.
- Request for certification process. This is a staff initiated change, mainly to clarify the process; it keeps the same requirements; however, if all the required documents cannot be provided by the deadline, the candidate may request a waiver to submit the documents after the deadline. The receipt and acknowledgment forms and the qualifying contributions would have to be received by the deadline.
- Matching funds section, how seed money would be handled was inadvertently left out. No change, just originally not included.
- Travel reimbursement expense – how candidates reimburse themselves and how to keep track of these expenses.
- Gubernatorial MCEA candidates should be allowed to reserve a sum of money for auditing expenses for gubernatorial candidates. The staff proposes increasing the amount to \$2,000 for unsuccessful candidates for the primary election and \$3,500 for general election.

Alison Smith asked what other monies could be used for an audit if there were no reserve amounts. Ms. Gardiner stated that since it was a post election issue and would not influence the election, then monies raised or received would not be contributions towards elections and would not need to be reported.

Mr. Friedman made a motion to adopt the proposed amendment to the routine rule changes in Chapter 1, seconded by Ms. Ginn Marvin. The Commission voted unanimously (5-0) to adopt.

Commission on Governmental Ethics & Election Practices
April 6, 2007 Minutes

Mr. Friedman made a motion to adopt the amendments to the major rule changes in Chapter 3, seconded by Mr. Cassidy. The Commission voted unanimously (5-0) to adopt the staff recommended rule changes in Chapter 3.

OTHER BUSINESS

Mr. Wayne advised the Commission of the statute requiring the submission every four years of a report on how the MCEA is running. The draft report is ready for the Commission's review.

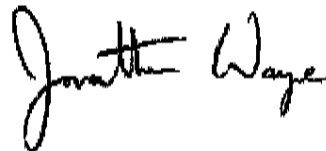
Positive affects of MCEA, explained in the report: In legislative races, helping caucuses recruit more candidates; fewer uncontested elections; new people are running as public candidates. Mr. Wayne pointed out that the report tries to portray the Commission as only administrator of the law, not cheerleader for the law.

Mr. Ketterer stated this was his last Commission meeting, after serving five years. He believes the Commission should remain as a quasi-judicial group, so rules are based on evidence not party affiliation. He also reminded the group of the statute, which states the Commission will be comprised of "no more than two people from the same political party."

Mr. Ketterer thanked his previous and present co-commissioners and expressed appreciation of the Commission staff.

There being no further business, the meeting adjourned at 10:25 a.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Jonathan Wayne". The signature is written in a cursive, flowing style.

Jonathan Wayne
Executive Director